

Committee Name:

**Assembly Committee – Rural Affairs
(AC–RA)**

Appointments

95hr_AC–RA_Appt_pt00

Committee Hearings

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Committee Reports

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Clearinghouse Rules

95hr_AC–RA_CRRule_95–071

Executive Sessions

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Hearing Records

95hr_ab0000

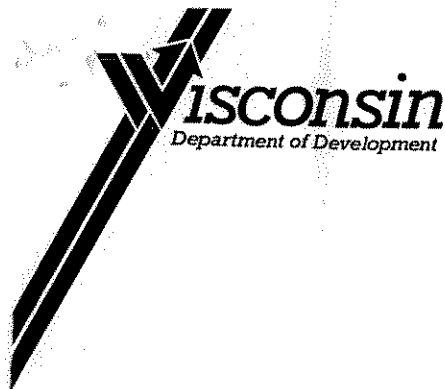
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Misc.

95hr_AC–RA_Misc_pt00

Record of Committee Proceedings

95hr_AC–RA_RCP_pt00



123 West Washington Avenue
P.O. Box 7970
Madison, Wisconsin 53707
(608) 266-1018

Tommy G. Thompson, Governor
William J. McCoshen, Secretary

May 15, 1995

The Honorable David Prosser
Speaker of the Assembly
Room 101
119 Martin Luther King Blvd.
Madison, WI 53702

Dear Representative Prosser:

In compliance with s. 227.19(2), Wisconsin Statutes, the Department of Development hereby submits the final draft of the proposed rule (CR-95-071), relating to the Physician Loan Assistance Program.

Section 560.184(5)(b) 6, Stats., provides the authority for the Department to adopt the proposed rule which interprets s. 560.183, Stats. The Department administers the Physician Loan Assistance Program to encourage primary care providers (physicians, obstetricians and psychiatrists) to locate and remain in areas of the state where there are shortages of physicians that provide primary, obstetric or psychiatric care. The program offers participants increasing repayment, up to \$50,000, of educational loans obtained for education in an accredited school of medicine or for post graduate medical training. Repayment extends over five years if the provider continues to practice in a primary care shortage area.

The proposed rule clarifies an ambiguity in the statute and defines "educational loan" to include only those traditional educational loans received by the applicant from a public or private lending institution that were made specifically for the required educational purpose. The definition will serve to exclude personal, home equity or other loans received by an applicant for which it would be difficult, if not virtually impossible to document that the proceeds were devoted to health care education expenses.

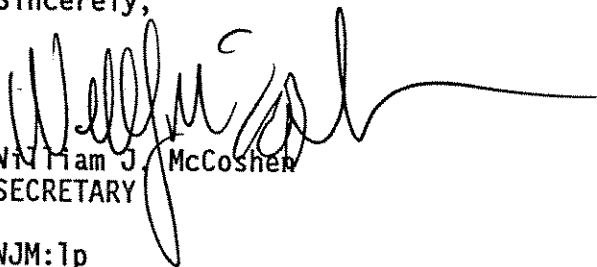
The Department of Development held a hearing on the proposed rule on May 11, 1995 in Madison. The Department mailed notice of the hearing to persons who have expressed interest in the program. No one appeared or commented on the proposed rule.

The Legislative Council Clearinghouse Report made several technical recommendations which the Department adopted by making the necessary changes.

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Copies of the fiscal estimate, regulatory flexibility analysis and the final draft rules are enclosed. If you have any questions about the rule, please contact Dennis Fay at 266-6747.

Sincerely,



William J. McCoshen
SECRETARY

WJM:lp

Enclosures

cc: Dennis Fay

PROPOSED ORDER

The Wisconsin Department of Development proposes an order to amend DOD 22.01 (intro.), 22.06 (intro.) and (8) and 22.07 (1) (b) and to create 22.02 (1m) interpreting s. 560.183, Stats., relating to the physician loan assistance program.

Analysis prepared by the Department of Development

Section 560.183 (5)(b)6, Stats., provides the authority for the Department to adopt the proposed rule which interprets s. 560.183, Stats. The Department administers the physician assistance loan program to encourage primary care physicians, obstetricians and psychiatrists to locate and remain in areas of the state where there are shortages of physicians that provide primary, obstetric or psychiatric care. The program offers participants increasing repayment, up to \$50,000, of educational loans obtain for education related to their field of practice. Repayment extends over five years if the provider continues to practice in a primary care shortage area.

The proposed rule clarifies an ambiguity in the statute and defines "educational loan" to include only those traditional educational loans received by the applicant from a public or private lending institution that were made specifically for the required educational purpose. The definition will serve to exclude personal, home equity or other loans received by an applicant for which it would be difficult, if not virtually impossible to document that the proceeds were devoted to health care education expenses.

Final Regulatory Flexibility Analysis

NOTICE IS HEREBY GIVEN that pursuant to 227.19 (3) (e), Stats., the proposed rule will have minimal impact on small businesses. The final regulatory flexibility analysis as required by 227.17 (3)(e), Stats., is as follows:

- (1) Methods of reducing impact of the rule on small business: The rule should have minimal if any impact on small business.
- (2) Issues raised during the hearing: None.
- (3) Nature of reports and estimated cost of preparation: There will not be any changes in the reporting procedures required.
- (4) Nature and cost of other measures: None.
- (5) Additional costs to the agency for administering or enforcing a rule which includes methods specified under s. 227.114 (2), Stats: None.
- (6) Impact on public health, safety and welfare caused by including in the rules any method specified under s. 227.114 (2), Stats: None.

Fiscal Estimate

The proposed rule has no fiscal effect.

Contact Person

Dennis Fay, General Counsel, 608/266-6747 or Jane Thomas, Rural Health Specialist, 608/267-3837.

Pursuant to the authority vested in the Department of Development by s. 560.183 (5)(b)6, Stats., the Department of Development hereby amends and creates rules relating to the physician loan assistance program.

SECTION 1. DOD 22.01 (intro.) is amended to read:

DOD 22.01 (intro.) The purpose of this chapter is to establish provisions necessary for the administration of those aspects of the physician educational loan assistance program which relate to the following:

SECTION 2. DOD 22.02 (1m) is created to read:

DOD 22.02 (1m) "Educational loan" means a health education assistance loan, a plus loan, a national direct student loan, a stafford loan, a health professions student loan, a supplemental loan for students, a guaranteed student loan from a state education financial aid office, a university sponsored student loan, a trust fund loan, a scholastic loan, a foundation loan or any other loan that the department determines is exclusively for educational purposes, and that was obtained by the physician from a public or private lending institution for education in an accredited school of medicine or for post graduate medical training.

SECTION 3. DOD 22.06 (intro.) and (8) are amended to read:

DOD 22.06 (intro.) If the cost of repaying the educational loans of all eligible applicants, when added to the cost of educational loan repayments scheduled under existing agreements, exceeds the total amount in the appropriation under s. 20.143 (1)(fe) and (jm), Stats., the department shall establish priorities among eligible applicants based upon the following considerations:

(8) LOAN BALANCE. The educational loan balance of the eligible applicant.

SECTION 4. DOD 22.07 (1) (b) is amended to read:

DOD 22.07 (1)(b) Evidence of educational loan indebtedness and educational loan outstanding balance.

EFFECTIVE DATE. The regulations set forth in this order shall be effective on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22 (2)(intro.), Stats.

Dated: 5/16/95

Agency: 

William J. McCoshen, Secretary



Wisconsin
Department of Development

let's review this rule

ja

123 West Washington Avenue
P.O. Box 7970
Madison, Wisconsin 53707
(608) 266-1018

Tommy G. Thompson, Governor
William J. McCoshen, Secretary

May 30, 1995

The Honorable John Ainsworth, Chair
Assembly Rural Affairs Committee
Room 418 North
State Capitol
Madison, WI 53702

Dear Representative Ainsworth:

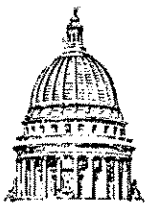
Clearinghouse Rules 95-071 and 95-072 relating respectively to the physician and health care provider loan assistance programs have been assigned to your committee. If you have any questions regarding either rule or if you would like additional information, please call me at 266-6747.

Sincerely,



Dennis Fay
General Counsel

cc: Julie Aulik
Jane Thomas



John Ainsworth

State Representative • 6th Assembly District

TO: MEMBERS OF THE ASSEMBLY RURAL AFFAIRS COMMITTEE

FROM: REPRESENTATIVE JOHN AINSWORTH, CHAIR

DATE: MAY 31, 1995

MEMO

On May 30, 1995, the following clearinghouse rules were referred to the Assembly Rural Affairs Committee:

Clearinghouse Rule 95-071, relating to the physician loan assistance program.

Clearinghouse Rule 95-072, relating to the health care provider loan assistance program.

A copy of each rule is attached for your information. The deadline for committee action on these rules is **June 28, 1995**. If you are interested in requesting a hearing and/or submitting comments, please do so prior to that date. Please contact Jacques in my office at 266-3097 if you have any questions or concerns.

JA:jfb

Attachments

WISCONSIN LEGISLATIVE COUNCIL STAFF

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CLEARINGHOUSE RULE 95-071

Comments

[NOTE: All citations to "Manual" in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated October 1994.]

2. Form, Style and Placement in Administrative Code

a. Section 1.02 (1), Manual, states that the beginning of each draft of a rule-making order should include an introductory clause consisting of a relating clause concisely stating the subject matter of the proposed order and an enumeration of the sections treated by the proposed order and the nature of the treatment. An example of proper format for an introductory clause is set forth following that provision. In this rule, the sentence which immediately precedes SECTION 1 of the rule should be moved to precede the plain language analysis and redrafted to conform to the example provided in the Manual.

b. In the treatment language for each SECTION of the rule, the word "Section" which precedes "DOD" in each case should be deleted.

c. In SECTION 3, only s. DOD 22.06 (intro.) and (8) should be treated. The language amending s. DOD 22.07 (1) (b) should be moved to a SECTION 4 with the following treatment clause: "DOD 22.07 (1) (b) is amended to read:". See s. 1.04 (2), Manual, regarding when it is appropriate to place more than one rule section in a single SECTION of a draft rule.

4. Adequacy of References to Related Statutes, Rules and Forms

In SECTION 3, the various references to provisions of s. DOD 28.06 and 28.07 are incorrect and should read 22.06 and 22.07.

5. Clarity, Grammar, Punctuation and Use of Plain Language

a. The definition of "educational loan" in s. DOD 22.02 (1m) lists a variety of higher education loans available for medical education, such as "a plus loan," "a stafford loan" and "a scholastic loan." It would be helpful if citations to applicable laws governing these various loans were included where such citations exist, or if the full names of the programs offering the loans are specified, to more precisely identify the loans being referred to. Also, it is suggested that the two occurrences of the phrase "health care provider" on lines 7, 8 and 9 be changed to "physician," for consistency with other provisions of ch. DOD 22 and to avoid confusion with provisions of ch. DOD 28, which relates to the health care provider loan assistance program. Finally, this provision states that the educational loans must be used exclusively for educational purposes and must have been obtained "for education related to the health care provider's field of practice." Use of the term "field of practice" could be interpreted as requiring the education to have been related to the physician's specialty, such as primary care, obstetrics or psychiatry. If that is what is meant by "field of practice," that language appears to conflict with the statute governing the physician loan assistance program which provides, at s. 560.183 (2) (a), Stats., that the Department may repay up to \$50,000 in educational loans obtained by the physician from a public or private lending institution for education in an accredited school of medicine or for post graduate medical training. Therefore, a physician's loans for initial medical school training, in addition to any post graduate training, are eligible for repayment under the program. The language relating to "education related to the health care provider's field of practice" should be reviewed and rewritten to conform to the underlying statute.

b. In s. DOD 22.06 (intro.), a comma should be inserted without underscoring after the word "applicants" on line 2, as there is a comma in the current rule.